Sects. IX-27—100,000—21-5-52.

Finance (1948) Department.

Ms SERIES.

G.O. No. 318

Dated 1-4-1948.

[Despatch Abstract.]

Demands for grants for further expenditure for 47-48 Demand IX. Cut Motion by P. Venkateswaralu.

SPECIAL

Demands for grants for further expenditure for 1947-48.

DEMAND IX

Sri P. Venkateswaralu, M.L.A.

To reduce the allotment of Rs.4,60,100

For Heads of Provinces, Ministers and Head Quarters Staff by Rs. 100

(To discuss policy with reference to pay of Officers and establishements under ~~tis~~ this head).

PUBLIC (ELECTIONS) DEPARTMENT

May be communicated to [Firka Development], Finance Department, [Revenue Department and Development Department] who are concerned with this.

J.I.A.,
20-3-'48

Public (Elections), U.O.No.2345/48-1, dated 20th March 1948.

To Finance Department

Forwarded /By Order,

Sd.....
Superintendent.

Finance (E.I)Department.

Please see the cut motion on page 1 c.f.

In 1940 the Government passed orders allowing a compensator cost of living allowance of Re. 1 p.m. to Government servants on emoluments not exceeding Rs. 40 p.m. in Madras City and Rs.30 p.m. in the mufassal whenever the cost of living index for Madras City stood at an average of 112 over a period of 3 consecutive months as compared with the figure 98 for the pre-war month August 1939. This limit was not reached till late 1941-. In August 1941 when the average working class c cost of living index for Madras city stood at 110 for the 3 preceding months a rise of 12 points over the index number (98) for the prewar mohth of August 1939, the Government sanctioned a compensatory cost of living allo-wance of Rs.1 p.m to Government servants mentioned above with effect from 1-8-41. The rate of allowance increased by half a rupee with effect from 1-6-42.

Later in 1942 the Government of India issued a revised d dearness allowance scheme for application to their servants all over India with effect from 1-8-1942, and advised the Provincial Government to assimilate their own scheme as far as local circumstances and finances would warrant it. Consequent on this suggestion the compensatory cost of living allowance was replaced by dearness allowance scheme and this came into force with effect from 1-8-42. For the purpose of dearness allowance scheme the Presidency was divided into 3 areas as under:

Area A including Madras City.

Area B including the towns with a population of

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of over 50,000 as specified in G.O.159 Finance dated 28-2-42.

Area C including all the localities not specified in A & B.

Details regarding dearness allowance scheme are furnished below.

Pay limit for eligibility.	Rate p.m. Rs	With effect from
A. Area Pay not exceeding Rs.39	5	
Pay exceeding Rs.39 but not not exceeding Rs.80	7	
B. Area Pay not exceeding Rs.39	4½	1--8--1942.
Pay exceeding Rs.39 but not exceeding Rs.80	7	
C. Area Pay not exceeding Rs.39	4	
Pay exceeding Rs.39 but not exceeding Rs. 60	5	
A.and B Area. Below Rs.40	6½	
From Rs.40 up to Rs.100.	9	
C Area. Below Rs. 40 p.m.	5	1--1--1943.
From Rs. 40 to Rs.70 p.m.	7½	
A & B Area. Below Rs.40 p.m	8½	
From Rs.40 to up to Rs. 125 p.m.	11	
C Area. Below Rs. 40 p.m.	6½	1--6--1943
From Rs. 40 up to Rs.90	9	

The distinction between the 3 classes of areas was abolished and the rates of dearness allowance for all Government servants were fixed as follows:--

Pay below Rs.40 p.m.	10	
Pay from Rs. 40 upto Rs.200	13	1--3--1944.
Pay below Rs. 40 p.m.	16	
Pay from Rs.40 to Rs.200	18 .. 17½% of emoluments whichever is higher.	1--1--1945.

The rates specified in the portion marked at X above were given retrospective effect from 1-7-44 in G.O.No.277 Finance dated 29-3-46. It may also be incidentally mentioned that all full time Government servants drawing pay up to Rs. 200 come within the dearness allowance scheme.

War allowance or cost of living allowance.

The war allowance (later called cost of living allowance from Ist July 1944 was paid at the following rates:

Married Gazetted officers on pay up to Rs. 1000 p.m. received 10% of pay including special pay with a minimum of Rs. 50 p.m. Unmarried Gazetted officers on pay up to Rs. 750 p.m received 5 % of pay with a minimum of Rs. 30 p.m. All non-gazetted officer whether married or not received 10% of pay. Dearness allowance at Rs. 10 on pay up to Rs. 40 and at Rs. 13 on pay between Rs. 40 and Rs. 200 p.m. was continued but could be exchanged for war allowance at 10% when that was more advantageous. The war allowance (now cost of living allowance) was enhanced with effect from 1-1-45. Under these orders married gazetted officers on pay up to

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up to 1500 p.m. received 17½% of pay and those on pay from Rs. 1500 to Rs. 2000 p.m. was given a flat rate of Rs. 263 with marginal adjustments up to Rs. 2,263. For unmarried gazetted officers the limit of eligibility was raised from Rs. 750 to Rs. 1000 p.m. and the rate of allowance from 5% to 7½% with marginal adjustments. Non-gazetted officers whether married or single, were given 17½% of pay. These rates of war allowance were given retrospective effect from 1-7-1944.

4. Consequent on the recommendation of the Central Pay Commission Report, the Government reviewed the dearness allowance scheme and sanctioned the revised cost of living allowance for Gazetted officers under the rule making control of the Provincial Government with effect from 16-8-47. Accordingly married officers drawing pay upto Rs. 1000 p.m. received an allowance equal to 17½% of pay subject to a minimum of Rs. 50 p.m. and a maximum of Rs.100 p.m. Married officers on pay more than Rs. 1000 but not more than Rs. 2000 p.m. drew 10% of pay subject to a maximum of Rs. 150 with marginal adjustments up to Rs. 2150. Single officers drawing pay up to Rs. 1000 p.m. received an allowance equal to 10% of pay subject to a minimum of Rs. 40 and a maximum of Rs. 75 p.m. with marginal adjustment up to Rs. 1075. Orders were issued in G. O. 827 Finance dated 25-10-47.

5. With reference to the representations of the non-gezetted Government officers asking for a revision of the rates of dearness allowance on the lines of the Central Pay Commission's recommendations, the non-gazetted Government officers were informed that the Government would examine the questions of dearness allowance and house rent allowance and see whether any liberalization in the rates of dearness allowance of the lower paid staff was necessary The Government accordingly reviewed the scheme of cost of living allowance and dearness allowance and came to the conclusion that the rates previously sanctioned needed revision. Orders were issued enhancing the rates of dearness allowance of non-gazetted Government servants and reducing the allowance granted to gazetted officers. The temporary increases in pension granted to pensioners whose pension did not exceed Rs. 100 were also reduced The revision in all these cases took effect from the Ist January 1948.

The revised rates of dearness allowance as from 1-1-48 are as shown below:

Pay group.	Rate per mensem. Rs.
1. Government Servants on pay not exceeding Rs. 20.	18
2. Government servants on pay exceeding Rs.20 but below Rs. 40.	19
3. Government servants on pay of Rs.40	21
4. Government servants on pay exceeding Rs. 40 but not exceeding Rs. 60	22
5. Government servants on pay exceeding Rs. 60 but not exceeding Rs. 100	24.
6. Government servants on pay	

6. Government servants on pay exceeding Rs. 100 but not exceeding Rs. 200.	17½ per cent of pay plus an additional sum of Rs.8 per mensem. 17½ percent of pay plus an additional sum of Rs. 6 p.m.
7. Government servants on pay exceeding Rs. 200 but not exceeding Rs. 300.	

Note: Officers drawing over Rs. 200 but below Rs. 205 will be allowed to draw dearness allowance at the rate applicable to group (6) if they find it more advantageous.

8. All other Government servants on pay exceeding Rs. 300 but not exceeding Rs.400	17½% of pay (existing rate).

Note. Officers drawing over Rs. 300 but below Rs. 305 will be allowed to draw dearness allowance at the rate applicable to group (7) if they find it more advantageous.

9. Government servants on pay exceeding Rs. 400 but not exceeding Rs. 500	70
10. Government servants on pay exceeding Rs. 500 but not exceeding Rs. 750.	85
11. Government servants on pay exceeding Rs. 750 but not exceeding Rs. 1,000	100

Note : Officers on pay over Rs. 1000 but under Rs.1,100 will be allowed an allowance which will bring their total emoluments to Rs. 1,100. Those above this pay limit will cease to draw any dearness allowance.

12. In the case of unmarried officers drawing Rs. 250 and over, the dearness allowance will be restricted to 10 per cent of pay subject to a maximum of Rs. 75.

The above rates of dearness allowance apply to all officers (including those belonging to Ex-Secretary of States Services) and the net extra cost to Government is about Rs. 57.5 lakhs p.a. and Rs. 9.75 lakhs in 1947-48. In view of the urgency of the matter, orders were issued in G.O.No.99 Finance dated 29-1-48 and in view of the large extra cost a token demand is now to be moved in the Legislature (Demand IX to be moved on 24-3-48 by the Hon'ble Premier)

6. The case may be submitted to Hon'ble Minister (Financ and Hon'ble Premier.

Sd.....
25-3-48.

Government of Madras.

Abstract.

Demands for grants for further expenditure for 47-48-demand IX - Cut motion by P. Venkateswaralu M.L.A.

Finance Department.

G.O.Ms.318 dated 1-4-48.

O R D E R:

RECORDED.

Sd.....
31-3-48

/True copy/

Superintendent,
Madras Record Office.

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